



FMEA Acquisition/Procurement Architecture and Leading Practices

**Presentation to the Air Force
Functional Requirements Board (FRB)**

April 2003



Discussion Points

- ▶ Leading Practices
- ▶ Key Drivers
- ▶ Architecture Activities
 - Operational View “OV”
 - System Views - “SV” System Functionality not Systems
 - Technical View - “TV”
- ▶ Benefits
- ▶ The “Way Ahead”



Leading Practices

- ▶ Improved Sourcing Strength with “Centers of Excellence”
 - Develop strategies targeted for specific commodity and industries
 - Perform spend analysis and track results
 - Develop supplier relationships
 - Reduced redundancy in managing procedures
 - Create and utilize common skill sets
- ▶ Reduce Process Variability
 - All DoD buyer/seller relationships are acquisition/procurement activities
 - Provides opportunities in reduction of staff required to perform the 3 way match, reduction of outstanding payables, and improvement in vendor / contractor relations.
- ▶ Tracking Funding at the Line Level
 - Purchase Contract/Purchase Contract Line is required and generated for each billable event.
 - Payment allocated to appropriate item, eliminating need for reconciliations, and reducing rework, improves timeliness of payments, and overall funds management.



Key Drivers

▶ Sourcing Contract/Agreements

- Performance required by the contract/agreement can only begin when the contractor or internal service provider is issued a Purchase Contract.
- Funding not associated with Sourcing Contract/Agreements
- Contains Boiler Plate: project performance characteristics, quality and audit procedures, product delivery expectations, non-performance clauses, termination options and other program specific requirements.

▶ Purchase Contract

- Describes and authorizes a vendor (a.k.a. (supplier) to perform work or acquire materials that can be invoiced (a.k.a. (billable work) to the Department of Defense.
- Vendor uses to create a Customer Order and generate the invoice, referenced to the Purchase Contract Line ("PCL") to be submitted to the government.
- May standalone without Sourcing Contract/Agreement

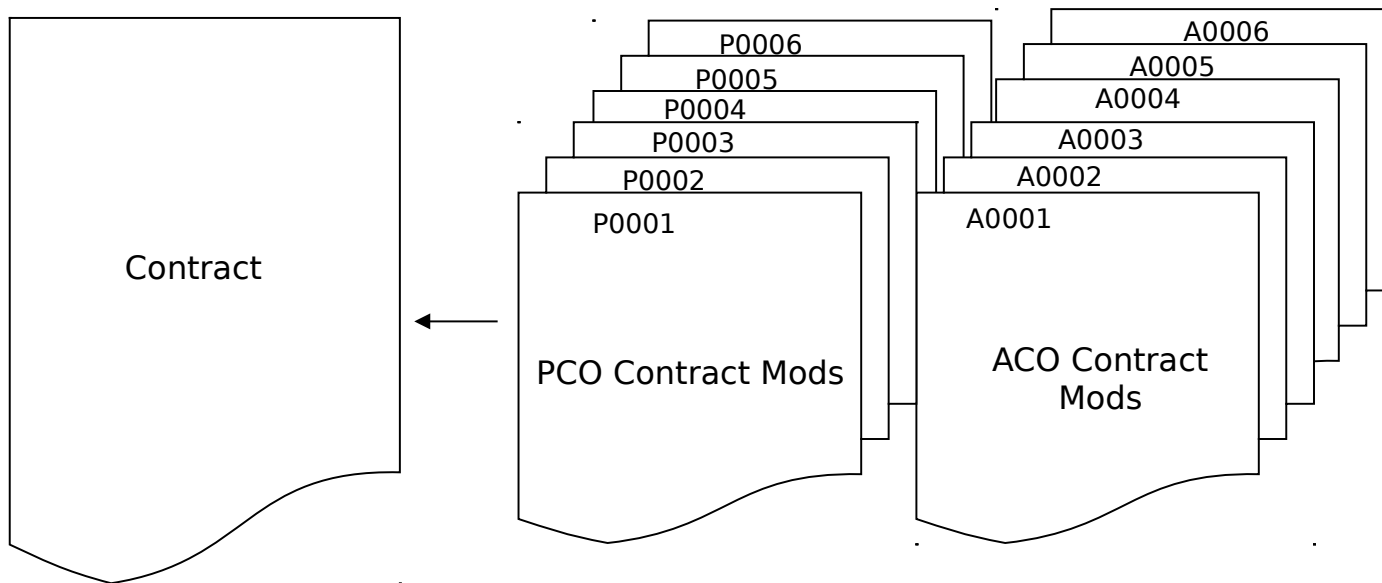


Key Drivers

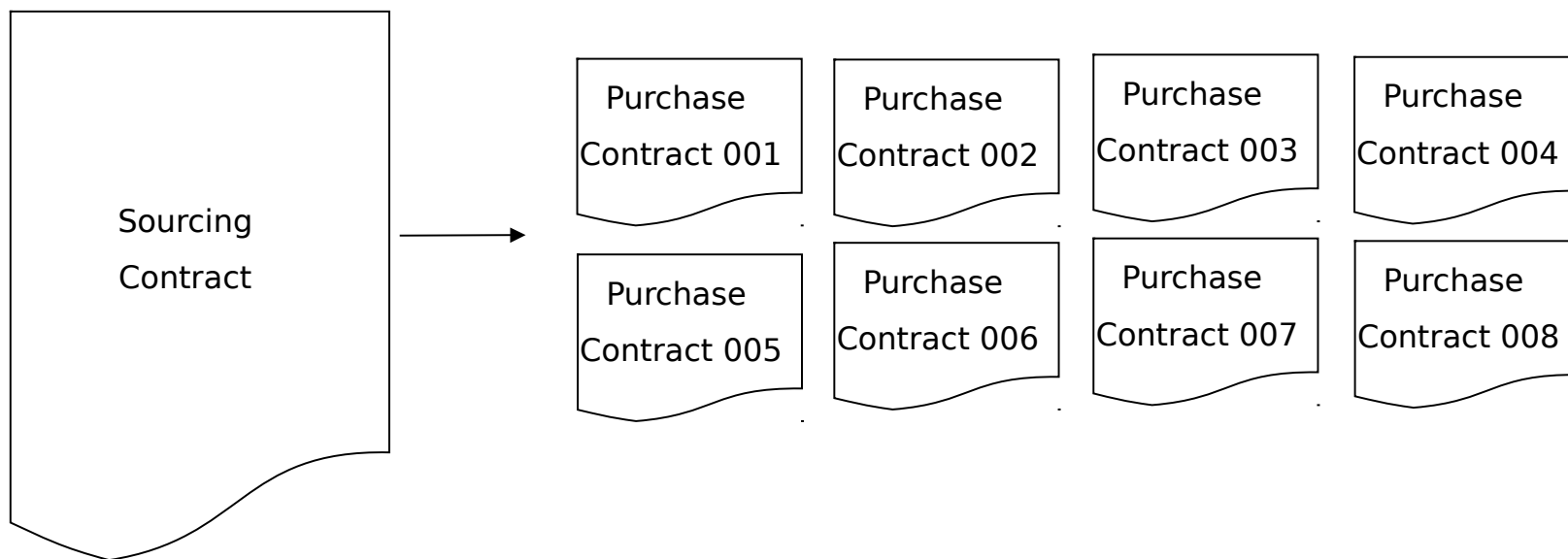
- ▶ Funding - Purchase Contract Line Level
 - Refers to a unique identifier to a specific Purchase Contract Line (PCL)
 - Used to record a commitment and a obligation - Reservation Identification (RID)
 - Discrete PCL/RID facilitates the efficient integration of Budgeting, Acquisition, Procurement, Logistics, Accounting and Disbursing activities within FMEA.



AS-IS



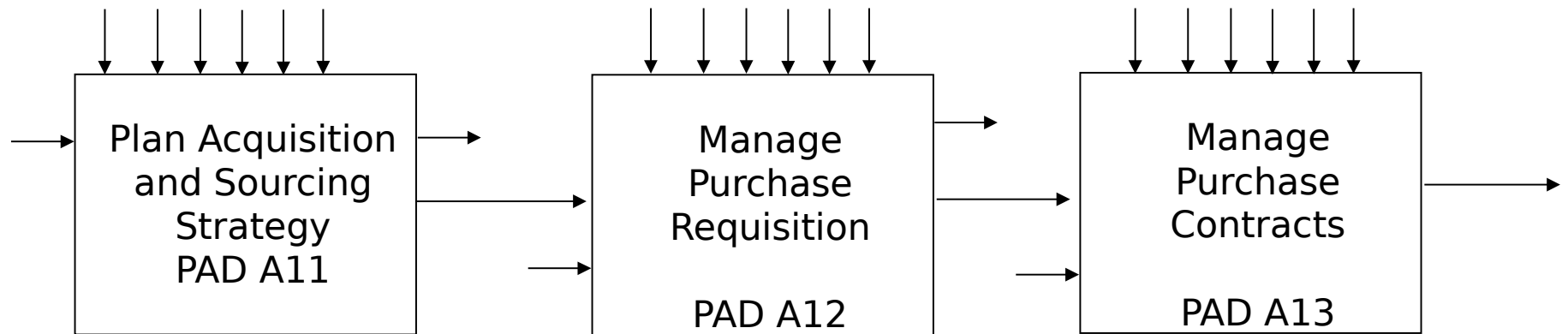
TO-BE



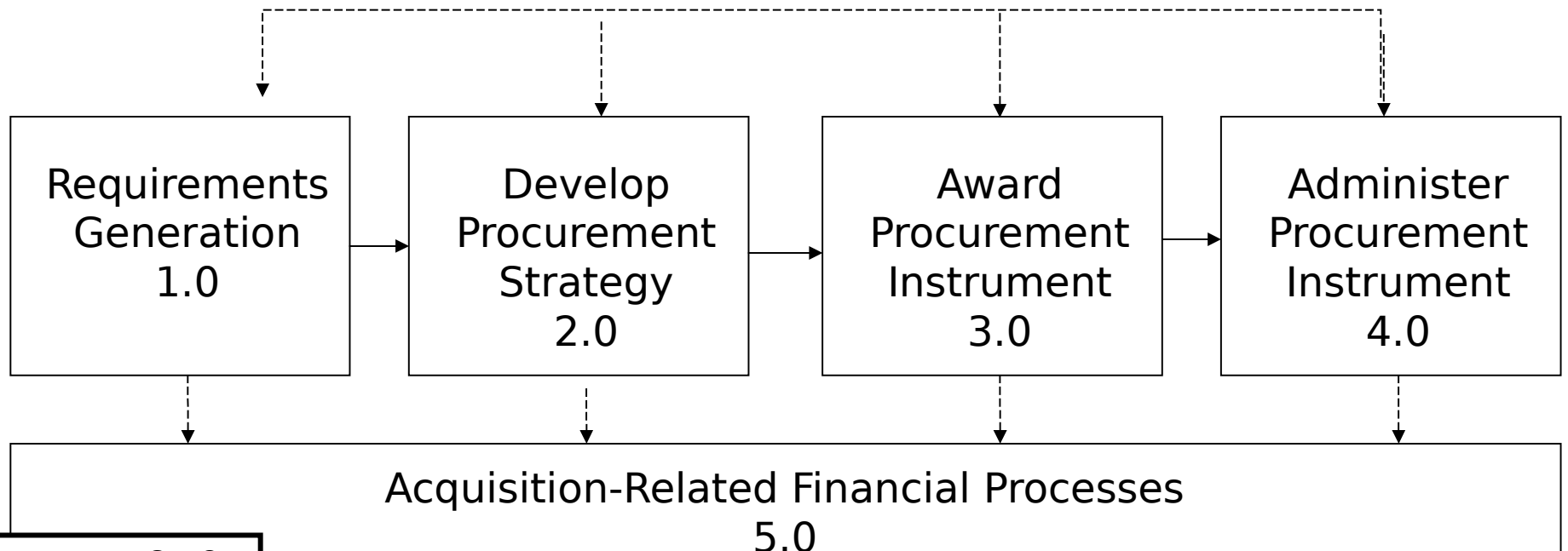


Operational View (OV)

- ▶ Describes the “To Be” business environment as activities that will be performed and the required information.
 - Team leveraged industry and government leading practices, examined doctrinal and policy implications, and defined operational requirements.
- ▶ The OV: A depiction of the organization-wide business environment both from an “As Is” and a “To Be” viewpoint. It is a logical model that defines what changes need to occur to achieve the “To Be” state for business and financial management and to optimize the performance of major DoD functional areas.
- ▶ Two forms of analysis are fundamental validating the OV.
 - Connectivity analysis identify the sufficiency of inputs to processes and the relevancy of outputs from processes.
 - Scenario analysis traces the response to a business scenario

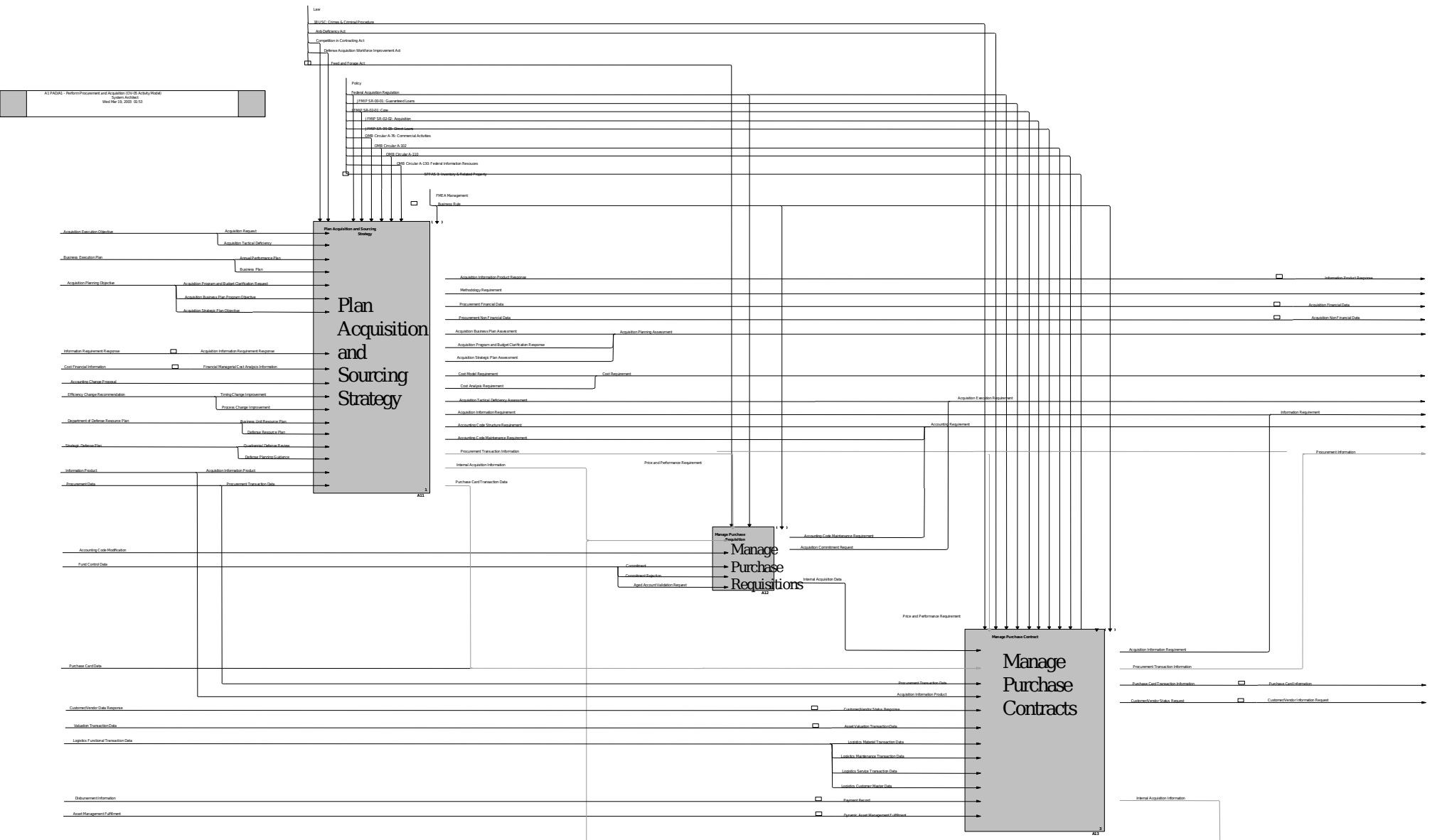


FMEA High Level Procurement and Acquisition



DoD Procurement ConOps

PAD/A1 - Perform Procurement and Acquisition





System View (SV)

- ▶ SV Business-Related (SV/BR)
 - Bounded by the Operational View scope, developed from the same matrix of functional areas and management and financial processes as the OV Team..
- ▶ The SV/BR products:
 - Identify related system functions and information exchange requirements.
 - Describe the end-to-end information flows and systems capabilities needed to support these functions.
 - Integrate and normalize these requirements where possible across functions.
 - Develop a strategic system vision to transform DoD business operations.

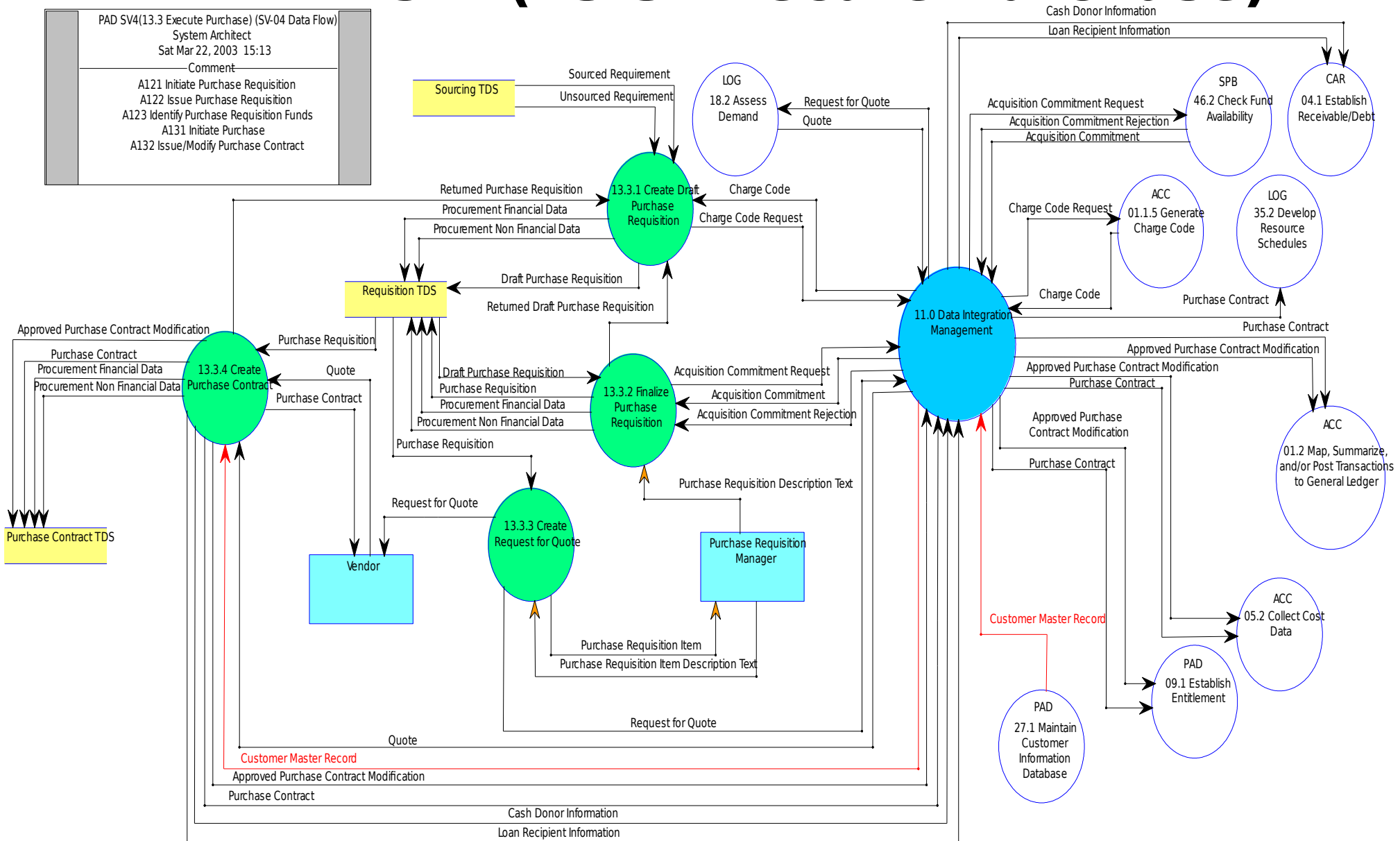


System View (SV)

- ▶ SV Business-Neutral (SV/BN)
- ▶ The SV/BN scope is the DoD FMEA Infrastructure, which will be needed to support the applications that are selected to provide the functionality identified in SV/BR. This infrastructure must support access from a variety of system functions such as:
 - Use of various access devices or clients through common communication protocol(s).
 - Support for deployment of "off-the-shelf" solutions.
 - Integration with existing DoD systems.
 - Support for a common DoD-wide perspective on information content and structure.
 - Security and intrusion detection.
 - Common use of user profiles across the entire infrastructure.
 - Common network and systems management.

PAD SV4(13.3 Execute Purchase)

PAD SV4(13.3 Execute Purchase) (SV-04 Data Flow)
System Architect
Sat Mar 22, 2003 15:13
Comment
A121 Initiate Purchase Requisition
A122 Issue Purchase Requisition
A123 Identify Purchase Requisition Funds
A131 Initiate Purchase
A132 Issue/Modify Purchase Contract





Technical View (TV)

- ▶ TV contains the set of rules that govern system implementation and operation. TV, tightly coupled with elements from SV, provides a profile of the technical standards and technical services that govern how hardware and software may be used.
- ▶ The standards specified in the TV may be interface standards or product/component standards. Interface standards may be de facto industry standards or from industry consortia. Product standards may also have associated interface standards that specify how to interface with the standard components.



Benefits

- ▶ Streamline the Acquisition Process through DoD/Federal enterprise wide contracts
 - Better visibility
 - Managed at Centers of Excellence Level, executed at Local level
 - Less focus on the buy and more focus on the results.
 - Improved tailoring of contracts to the requirement.
- ▶ Facilitate Enterprise Commerce Solutions
 - Integrated not interfaced with the Enterprise
- ▶ Streamline the Contract Closeout Process
 - Financial/Procurement Transactions managed at the lowest level
- ▶ Visibility to all Requirements (Intergovernmental, Intergovernmental, Extragovernmental)
 - Government Acquisition Personnel focused on providing solutions and not on the buying process.
 - Government Acquisition professionals evolve into that of a "business advisor," a "solutions person" who will expedite the procurement process.



The Way Ahead

- ▶ Further decomposition and validation of Acquisition/Procurement products within FMEA
- ▶ Define Sales Order and Customer Relationship Management (CRM) within Acquisition Business Enterprise
- ▶ Expand Purchase Card Management to Card Management
 - Supports DoD Charge Card Special Focus Group
- ▶ Business Process Reengineering (BPR) – though Summer 2003
- ▶ Select and start Acquisition Domain Pilots
- ▶ Validate Acquisition Domain Quick Wins